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UNCLAS SECTION 01 OF 03 BANGKOK 007334

SIPDIS

DEPARTMENT FOR PM/DTCC -- BLUE LANTERN COORDINATOR
(JSTITZIEL)

E.O. 12958: N/A

TAGS: [ETTC](#) [KOMC](#) [TH](#) [BLUE LANTERN](#)

SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK ON
APPLICATION 05-979183

REF: SECSTATE 202710

1. Per refotel request, here are the results of posts
inquiries into the bona fides of G.H. International.

Company Profile

Per the Thai Department of Business Development, Ministry of
Commerce, G.H. International Co. Ltd is filed under
registration number 1160/2517, dated 9 OCT 1974. Capital
registration was 10,000,000 baht, the company executives are
listed as Mr. Sarabjit Singh Sachdev and Mr. Kuramak Singh
Sachdev. Address listed is 5 Soi Sukhumvit 30 (Santi
Naruman), Sukhumvit Rd., Khlong Tan Sub-District, Khlong Toei
District, Bangkok. The company has filed annual financial
reports for the years 1999-2005 inclusive.

Purpose of Company: To import the wholesale and retail sale
of guns, ammunition and military equipment.

There are 7 share holders, all members of the Sachdev family.

Four members of the family are Thai national and 3 are
Indian nationals. The company has two branch offices, one is
a gun shop in Bangkok, the other is a warehouse in Saraburi
for storage. According to Ministry of Commerce data, this
second facility is no longer in operation.

The Commerce website also lists four companies registered
under the "G.H. group." These include:

The G.H. Co. Ltd, registered in Bangkok in December 1986 for
weapons and goods wholesale and retail;
the G.H. Industry Co., Ltd, registered in Bangkok in July
1987 for textile production and trade;
The G.H. Development Co. Ltd, registered in Bangkok in July
1979 for real estate development, and;
The Thai National Trading Ltd., registered in Bangkok in
September 1960

G.H. International, Co., Ltd. is not listed in the telephone
directory, but G.H. Development Co. Ltd is listed.

POL FSN made an unannounced visit to G.H. International Co.
Ltd. on November 7, 2005 and was met by Mr. Sarabjit. The
company officers were on the second floor of a 20 story
upscale building in the prime Sukhumvit business area. Mr.
Sarabjit answered all questions posed in refotel:

3.1 Is the company recognized by the MOD/RTG as an official
military contractor/broker?

Yes. It is registered with the Commerce Ministry and is
recognized by the MOD as a qualified bidder on military
contracts. The company is also recognized by a number of
foreign governments.

3.2 Is the company state-owned, parastatal, or private?
Private.

3.3 How long has the company been in business, who are its
principals?

The company has been in business since October 1974. It has
the sister companies listed above and owns 5 gun shops and
two branches.

Principal shareholders are:

1. Mr. Kuramak Sing Sachdev, an Indian national -- 1,750
shares
2. Ms. Minderko Sachdev, an Indian national -- 1,750 shares
3. Mr. Saragjit Singh Sachdev, a Thai national -- 2,300
shares
4. Mr. Shatwinder Singh Sachdev, a Thai national -- 2,250
shares
5. Ms. Nimatjitkor Sachdev, an Indian national -- 700 shares
6. Ms. Amarit Sachdev, a Thai national -- 750 shares
7. Ms. Kiran Sachdev, a Thai national -- 500 shares.

3.5 Who are its typical customers and where are they located?

The company has four types of customers:

--General gun shops in Bangkok and rural Thailand, ordinary citizens permitted by the Ministry of Interior to purchase guns, and civil servants or military personnel allowed by the Ministry of Interior to buy guns.

--State agencies for whom the company has bid on purchase contracts. These include the Police Department, Royal Thai Army, Navy and Air Force, Department of Provincial Administration of the Ministry of Interior, the Royal Forestry Department of the Ministry of Natural Resources and Environment, the Airport Authority of Thailand, the State Railway of Thailand, the Armed Forces Security Center, the Prime Minister's Office, and the Bank of Thailand.

--Private companies and department stores such as security firms, jewelry concerns, the Emporium Department Store, IBM, the JW Marriott Hotel and some Embassies.

--Previously, the company sold explosives to mining companies. These explosives were of Chinese manufacture and stored in a facility under the supervision of the Ministry of Interior in Saraburi.

3.6 Does the company have established, legitimate customer bases to which they plan to sell the ammunition loaded by this machinery?

The company is to sell, deliver, set up and provide the maintenance of the contracted bullet loading-machinery mentioned in reftel to the Military Explosives Factory owned by the Ministry of Defense in Nakhorn Sawan. The factory is the machine user and the seller of the finished products. G.H. is not involved in the sale of ammunition loaded by the machinery.

3.7 Does the company have adequate on-site security?

The company is located on the 2nd floor of a well established residential building. The building has guards working in two shifts, three guards per shift. It has CCTV and a water sprinkler. The company claims to have 34 employees (FSN saw only 10 on the day of his visit). Employees are not required to have a criminal, fingerprint or background check. The contracted machinery listed in reftel will be transported into Thailand directly from Bangkok airport and delivered to the MOD factory in Nakhon Sawan with a military escort. It will not be stored at any G.H. facility.

3.8 Does the company keep proper, detailed records of its sales and customers?

Yes. However, most records were in paper vice electronic form. Records are regularly examined by Thai government authorities. The company is a representative or broker for the following foreign concerns: Olin Winchester, BAE, Smith and Wesson, General Dynamics Ordnance Tactical Systems, the Kilgore Corp., Remington and MLM International.

3.9 Does the company understand the restrictions of USML articles?

Generally yes although they promised to review the USML guidelines from the Internet.

3.10 Does the company have the proper firearms license and import permit of the items listed on the license application?

Yes. The company presented FSN with originals and copies of various documents concerning the purchase. Included in these were the Commerce Ministry license, PO No. 32005-34 dated September 23, 2005, stating the items to be purchased in the United States (all in accordance with details outlined in reftel), DSP-83 signed by the company's Managing Director, Mr. Sarabjit and the Military Explosives Factory Director, Major General Siddhiporn, dated September 23, 2005 with the MOD's supporting letter dated September 23, 2005 (all in accordance with details outlined in reftel), and a purchase contract for the items between G.H. International and the Military Explosives Factory, on behalf of the MOD Secretariat, No.8/2548, dated September 23, 2005.

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12. Also per reftel request, here is information on the bonafides of the Military Explosives Factory, Defense Industry Department, Defense Industry and Energy Center, Ministry of Defense.

COL Phunsi Ratsami, Director of the Industry Control Division, Thai Ministry of Defense, confirmed that the Factory is owned and operated by the Royal Thai Ministry of Defense.

Questions raised in reftel:

3.1 Is the company recognized by the MOD/Government of Thailand as an official military contractor/broker?

Yes.

3.2 Is the company state-owned, parastatal or private?

It is a state-owned factory constructed in 1985 by a British contractor, Nobel Explosive Col, Ltd, in accordance with U.S. and NATO Standards and ISO 9001.2000.

3.3 How long has the company been in business and who are its principals?

The Factory was built in 1985 and has been in operation after that. The Factory is supervised by a Major General in the Royal Thai Army who reports to the Defense Industry Department. The Defense Industry Department is under the Defense Industry and Energy Center, which is under the direct supervision of the Permanent Secretary (Vice Minister) of the MOD. The Factory has 617 officers, enlisted and civilian employees.

3.5 Who are its typical customers and where are they located?

The Factory's major customers are the Armed Forces and Police Departments nationwide. IN addition, 3 private companies: Thai Arms Co., Ltd. in Ratchaburi; Bullet Master Co., Ltd. in Kanchanaburi; and Olympic Co., Ltd of Nakhon Sawan are also customers. These private concerns have only placed small orders (100-200 kgs of explosive powder) at a time. There have been no foreign customers.

3.6 Does the company have adequate on-site security?

Yes. POL FSN noted that the compound is surrounded by two fences with armed soldiers guarding the perimeter. CCTVs, ID card access control and guard towers are present. Officials claim to have 70 armed guards working on a 4-hour shift in 11 locations augmented by guard dogs, foot and motorcycle patrols and CCTV cameras. They have 2 fire trucks, a water truck and a high-pressure sprinkler system. They claim to have fire fighting foam. The nearest civilian fire station is about 5 kilometers away.

POL FSN was not allowed to enter the inner Factory but saw outside that building a low concrete wall, a man-made hill as a blast barrier and a natural mountain behind the primary storage facilities. Transport of finished explosives takes place with a military escort.

3.8 Does the company keep proper and detailed records of its sales and customers?

Yes. Most are in paper, not electronic form. All records are regularly examined by the National Audit Commission and the Office of Defense Auditing. All sales must be approved by the PermSec of MOD. A foreign sale would need Cabinet approval.

3.9. Does the company understand the restrictions of USML articles?

Not at first, however POL FSN briefed officials on the major requirements. The officials assured POL FSN that no machinery would be designated for third party transfer without USG approval.

3.10 Does the company have the proper firearms license and import permit for the items listed on the license application?

Yes. Copies of all documents outlined in reftel conformed with the details contained therein.

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